

Marcus & Millichap Gives New Life to One of New York City's Oldest Hotels

NEW YORK--(BUSINESS WIRE)-- [Marcus & Millichap \(NYSE: MMI\)](#), a leading commercial real estate brokerage firm specializing in investment sales, financing, research and advisory services, announced the sale of Martinique New York on Broadway, a 531-room landmark hotel on the corner of 32nd Street and Broadway in Manhattan. The asset was purchased for \$55.5 million with an approximated total development cost of \$110 million.

"Our team worked tirelessly over the past 12 months to overcome multiple hurdles during the sales process," said Eric Anton of Marcus & Millichap's Manhattan office. "We are very proud to be a part of what will be an incredible revitalization project for one of New York's oldest operating hotels. The COVID-19 pandemic initially wreaked havoc on the hospitality industry in New York City, causing countless established hotels and retail properties to close shop, including Martinique New York, which filed for bankruptcy in 2020."

In December 2020, Marcus & Millichap's Anton, Nelson Lee, and their team, were hired by the hotel's owners, Herald Hotel Associates, LP, a private, New York-based, family-run company to sell the property. Anton's first order of business was to find a buyer for the hotel, ultimately selecting Burnett Equities, based in Oklahoma City. Once the land lease details were solidified, Anton and Lee turned their attention to creating value in the retail space.

"The Martinique corners two of Manhattan's iconic streets, 32nd Street, on one end of the city's expansive Koreatown neighborhood, and Broadway, home to some of the city's most illustrious restaurants, entertainment venues and hotels," said Anton.

Anton and Lee introduced Burnett Equities to local retail brokers, including one who specialized in leasing Koreatown space, and the other an expert in the restaurant and hospitality industry. In under three months, the team secured leases for all six of the retail spots amid the pandemic, prior to closing the sale of the hotel.

During the marketing process, Anton utilized Mission Capital Debt & Equity, part of Marcus & Millichap Capital Corporation (MMCC). With assistance from MMCC's Matthew Polci, Steven Buchwald, Jordan Ray and Lexington Henn, Burnett Equities secured a mortgage of \$71 million and a more financeable ground lease.

"The Martinique New York had just about every major complexity imaginable for a New York City financing, including a New York City landmarked, unionized hotel subject to a ground lease that was coming out of construction, COVID-19 lockdown, and in bankruptcy, with a largely vacant retail component," said Polci. "Despite these challenges our borrower, their retail leasing team, and our Marcus & Millichap sales brokers did a tremendous job turning challenges into value creation opportunities. I was impressed with our capital markets team, particularly my team members in their ability to effectively communicate the evolving merits of this deal to the debt markets and create a competitive market around such a complex transaction."

“With all the problems that COVID-19 brought, great opportunities arose for those willing to go the distance,” said Lee. “Our buyer sought opportunities to break into the New York market, but the right opportunity hadn’t yet come to fruition. This rare opportunity to invest in a newly renovated, historical landmark was a special opportunity, and when prices went down and business was scarce, our buyer saw the massive growth potential and future resurgence of the hospitality industry through the Martinique investment.”

“The Martinique’s historical value and prime location are what sets it apart. Steps away from Herald Square and nearly every subway train in the city, a five-minute walk from Grand Central, Martinique New York will be at the forefront of the hospitality industry for years to come,” said Anton.

About Marcus & Millichap (NYSE: MMI)

With over 2,000 investment sales and financing professionals located throughout the United States and Canada, Marcus & Millichap is a leading specialist in commercial real estate investment sales, financing, research and advisory services. Founded in 1971, the firm closed 8,954 transactions in 2020 with a value of approximately \$43 billion. Marcus & Millichap has perfected a powerful system for marketing properties that combines investment specialization, local market expertise, the industry’s most comprehensive research, state-of-the-art technology, and relationships with the largest pool of qualified investors. To learn more, please visit: www.MarcusMillichap.com.

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20211124005872/en/>

Gina Relva, VP of Public Relations

Gina.Relva@marcusmillichap.com

510-999-1284

Source: Marcus & Millichap